

CLASSIFICATION ~~SECRET~~

SUBJECT Yugoslav, Bulgarian, and Polish Military Missions in Berlin

December 1, 1964.

NO CHANGE in class.

NO. OF ENCLS.
(LISTED BELOW)

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SUPPLEMENT TO
REPORT NO.

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11. The Bulgarian Mission in Berlin is to be deactivated. A corresponding order with instructions to leave Berlin has allegedly been issued to the Mission by the SMA.

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23.

However, the Polish and Yugoslav Military Missions are accused of the same offense. (As appears below, the Polish Mission is also slated for deactivation.) These activities were discovered by the control commission of the Department for Industry of the DWK (German Economic Commission). The purchases involved actual

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of certain quotas of industrial goods over which the DWK was to

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3. Following the discovery of these illegal purchases, a different system was inaugurated by the SMA Department for Industry in Karlshorst. All purchases designated for the three countries named are now to be channelled through that division, which will then merely announce to the DWK the type and quantity of merchandise to be shipped, as well as the destination. The DWK in turn is to receive goods for compensation; however, these goods will also be allocated by the SMA and in this case be handled first by the Economics Division in Karlshorst. Through this method the DWK has lost all opportunity to negotiate directly with any of the three countries. The result will probably be that, aside from goods already requisitioned from current German production for Soviet export firms, additional uncontrolled quantities will be removed by the SMA. At the same time the SMA alone will decide the type of goods to be used as compensation. To judge from previous experience, it is doubtful whether those goods will actually originate in the country from which they will be claimed to come.

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There have been reports at various times to the effect that products, e.g. wheat, were taken from the German economy, shipped to or beyond the border and returned, as "products from Russia".)

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██████████ that Rau, head of the DMK, may protest against the new system.

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4. One source claims that the promised import of over 10,000 tons of fats is one example of the compensation deals. Products of the Lausitz textile industries which were originally promised by the SMA to the DWK, to be used at this organization's own discretion, were later requisitioned for export to Bulgaria. It is alleged that Bulgaria will send to the Soviet zone 8,000 tons of oil fruits instead of pure fat. Also announced was a shipment of 2,000 tons of whale-oil which is now being loaded at Odessa.
5. The Polish Mission is also to be deactivated, according to one source; however, a skeleton staff will remain, retaining the official name of the Mission, in order to recruit German specialists for Poland. Poland is said to be granting (with SMA approval) a handsome sum for the establishment of a series of illegal recruiting offices in the western zones. The German specialists are being offered extremely favorable contracts which are to be signed at the offices of the Polish Military Mission in Berlin. The workers will receive a generous advance payment and then be sent in closed transports to Berlin. At present only metal workers and specialists for cast iron and cast steel are being recruited.
6. Political developments brought to a complete standstill business relations between western zone firms and trade missions of eastern countries in Berlin. [REDACTED] the opinion that no efforts will be made to reestablish contact.

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